

Education Paper
FUNDING THE FIGHT AGAINST HIV/AIDS

FUNDING THE LIFE SKILLS AND HIV/AIDS PROGRAMME

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Executive Summary

The funding of Life Skills and HIV/AIDS Programmes in provincial education has been given a huge boost with the introduction of the National Integrated Plan for HIV/AIDS.

The vulnerability of youth meant there was a strong incentive to influence their behaviour in combating the spread of HIV/AIDS. This resulted in a decision that allocated the bulk of the Integrated Plan's budget to Life Skills Programmes in public schools. A Conditional Grant was introduced in 2000 specifying that education departments must implement the Life Skills Programme in 20% of schools in year 1 (2000/01), 40% in year 2 (2001/02), and 40% in year 3 (2002/03). The main costs associated with this programme are the number of learners and schools, the number of teachers to be trained, and the learning resource material used to teach this programme.

The Department of Education determines the amount of each province's Conditional Grant using the education equitable share formula. The late release of funds for this grant in 2000 and 2001 has caused problems. Education departments only received funding in October 2000, thus effectively compromising the rolling out of the programme in the first year of implementation. Although funding was released earlier in 2001, provinces still felt they had insufficient time to implement the programme as prescribed by the National Integrated Plan (NIP). There is a strong feeling that these initial transfer problems will be eliminated in later years, thus permitting departments to focus on the real obstacles impeding delivery.

Provincial education departments cite lack of technical support from the national Department of Education as a major obstacle. In addition, education departments indicated that they need technical support for improving the quality of Business Plans, and sustained feedback and analysis about the implementation of programmes provincially.

From a funding point of view, the most important problem is centralised tender and procurement procedures, which create enormous delays and impair departments' ability to fulfil programme aims of the NIP. We identify two main issues with the process: long delays in the processing of tenders and claims, and the selection of appropriate service providers. The first of the two problems meant that activities often had to be stalled pending authorisation from Provincial Tender Boards. In relation to the second problem, provinces felt that access to the most effective service providers was blocked as a result of the nature of the tender process. In both instances, the quality and the effectiveness of the interventions had been affected.

Reluctance of provincial departments to fund HIV/AIDS programmes is due to the poor state of data on HIV/AIDS in the education system which obscures planning and subsequent programme allocations. Provincial Life Skills co-ordinators of this programme must also deal with the poor state of administrative and professional support. We argue that, at a minimum, education departments can employ additional staff to assist co-ordinators in managing the Life Skills programme. The gradual acceptance of such funding responsibilities could be the start of greater engagement and commitment of education departments in fighting HIV/AIDS.

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I. Introduction

The now Minister of Education started his tenure by launching a thorough investigation into the state of education and training in South Africa. The *Tirisano* document states that the fight against HIV/AIDS is *the* priority that underlies all other educational priorities.² Although HIV/AIDS affects the entire education and training system, strategic emphasis has been placed on public ordinary schools where the majority of learners and educators are located. This paper explores two main questions:

- How is the fight against HIV/AIDS funded in the national Department of Education and Provincial Education Departments (PEDs)?
- Are current funding mechanisms enabling PEDs to deliver Life Skills and HIV/AIDS Programmes effectively and efficiently?

Funding of this programme is effected through a Conditional Grant that is distributed to nine education departments. The value of the grant is based on the education equitable share formula. This formula is based on potential and actual learner enrolment in a province. Given the Life Skills Programme's preventative focus, distributing money based on the number of learners (and number of teachers to be trained) justifies the use of the education equitable share formula. PEDs then divide the available funding between the centre (Head Office) and the various Districts or Regions. Although the division of funding between Districts and Regions is done on an equal per capita basis, most education departments determine the final allocation based on the number of learners and the number of teachers to be trained. Western Cape has however prioritised high prevalence areas and socio-economic disadvantaged communities.

Problems related to central procurement and tendering

We have to look beyond the education-specific nature of the programme to locate problems that affect the effectiveness and efficiency of public spending on the Life Skills Programme. The main problem that we identified is the **central** procurement process in education departments and the bureaucratic nature of the provincial tendering process. This is especially the case in situations where training of teachers has to be outsourced in the absence of training capacity within education departments.³ Both these processes are subject to Treasury and provincial regulations that are applicable to all departments provincially and nationally. Treasury regulations are aimed at promoting efficiency and achieving the objectives of economic redress by distributing the economic benefits of procurement contracts more equitably. However, although it is undeniable that this central process has promoted efficiency, the lengthy nature of the tender process has

² Although the *Tirisano* document does not have legislative status such as White Papers or Acts, its main ideas have undeniably been adapted and incorporated into the main programmes of provincial education departments. In a way, this document has provided education departments with key priorities and foci.

³ Western Cape makes the point that by building *training capacity within education departments*, a large part of the provincial tender process could be avoided, thus improving the effectiveness of spending.

impacted negatively on the effectiveness of spending on the Life Skills Programme. Thus, we argue, there are distinct benefits and costs associated with a centralised procurement process, and it appears as if the costs currently outweigh the benefits.

Argument for decentralised budgeting

Although the problems associated with a centralised procurement and tendering process will not be resolved if funding is decentralised to District level, there are other strong arguments for decentralising the budgeting system. Most PEDs are now aiming at reducing the number of Districts. The reasons are manifold and include greater bureaucratic control; the streamlining of policy mandates; and obviously the devolution of management responsibilities. Although restructuring of Districts/Regions has the potential to strengthen local governance and fiscal management of the Life Skills Programme, current restructuring efforts are ironically not aimed at such devolution of fiscal responsibilities.

The weakness of Districts and Regions and the neglected position of Life Skills and HIV/AIDS Education Programmes at provincial level currently serve as strong justification for central budgeting of this programme. This position, we argue, is only valid until the main objectives of the National Integrated Plan have been reached. After that, consideration should be given to strengthening Districts to enable them to play a more meaningful role in the delivery of Life Skills and HIV/AIDS Education Programmes after 2002/03. Districts, we argue, are the closest to the point of delivery and would be in a better position to make informed trade-offs, given the paucity of resources. As Districts would be generally strengthened by the devolution of fiscal management of this programme, the delay of this move has negative consequences for the management of other programmes and activities.⁴ The point we make is that the nature of procurement and tender problems does not automatically justify centralised budgeting, especially given the benefits of decentralised budgeting mentioned above.

Methodology

Five provincial departments of education have been chosen as the main respondents in the provincial leg of the study. The PEDs chosen were Mpumalanga, Northern Cape, Northern Province, North West, and Western Cape. Access to education departments was the major reason why we were unable to cover all nine PEDs. The methodological caveat that we introduced specified that we need at least one affluent education department in our survey. The assumption was that these departments built up extensive experience in the funding and implementation of Life Skills and HIV/AIDS Programmes, and would be a useful benchmark for comparative purposes. We have identified the Western Cape Department of Education as an affluent department, and the rest of the departments were chosen due to the availability of data. The study is therefore limited in providing a comprehensive picture of provincial education departments' funding response, but the respondents felt that problems in the implementation and funding of HIV/AIDS are similar across departments.

⁴ The most notable example is that of the Norms and Standards for School Funding where weak Districts were unable to guide poor schools in spending their allocations. Strengthening Districts therefore holds benefits for more than one activity or programme.

The primary method of data collection was a survey questionnaire. Information requested included: various sources of funding of the Life Skills Programme; time-series data on funding; the most serious funding and implementation challenges; the main structures of the programme; and the relationship between the Department of Education and its provincial education counterparts. The first set of survey questions was followed by intensive personal and telephonic interviews with the five provincial respondents as well as a representative from the Department of Education.

The next section deals with the policy matrix within which the current Life Skills and HIV/AIDS Programme is inserted. It traces the programme back to the days when the National Department of Health shouldered most of the responsibility. It then briefly discusses the launch of the National Integrated Plan (NIP) and how this relates to provincial education. Section three looks at the funding and support role of the National Department of Education (DOE). Section four specifically focuses on the response of provincial education departments to the HIV/AIDS pandemic and highlights the most serious funding problems. Section five concludes with the most important findings of the survey.

II. Policy matrix of current Life Skills HIV/AIDS Programme

A. Origin of the Life Skills Programme

The Life Skills and HIV/AIDS Programme was started by the National Department of Health (DOH) in 1997 with the assistance of donor funding from the European Union (EU).⁵ Two teachers in every secondary school had been trained in Life Skills education by the end of 1998. This meant that by February 1998, 840 master trainers and 9034 teachers were trained. In 1999, the nine provinces began to implement Life Skills and HIV/AIDS Programmes in secondary schools across the country. In addition, the Life Skills and HIV/AIDS Programme for primary schools was developed in 1998/99, and 1999 saw pilot testing in 20 primary schools in the Free State and the Northern Province. Twenty master trainers as well as 140 teachers were trained. Available funding could be accessed through the Department of Health as well as the national HIV/AIDS/STD Directorate.

There were two main funding obstacles experienced with this system, which contributed to spending inequalities between PEDs.

- 1 Many PEDs did not have experience in developing suitable business plans to access funding from the Department of Health. This meant that funding for Life Skills Programmes varied enormously and did not reflect actual infection rates in provinces.

⁵ This paragraph is based on a paper done by the present author in 2000: "Funding the Life skills and HIV/AIDS Programme: Tirisano's Response" by Wildeman, RA (2000), BIS, IDASA.

- 2 Unequal spending was further worsened because a PED such as Gauteng allocated funds to this programme in addition to the funds from Health. As a result, the more affluent PEDs built up expertise in planning and spending funds for Life Skills and HIV/AIDS Programmes, and in this way were able to put in place the bare programme fundamentals.

This situation was untenable and when the three main social services departments finalised a new Integrated Strategy on HIV/AIDS in 1999, help was officially on the way for PEDs that had not managed to spend sufficient resources on the HIV/AIDS problem.

B. Launch of the National Integrated Plan

National Cabinet decided towards the end of 1999 that funding must be set aside to deal with the HIV/AIDS pandemic in an integrated way. The National Integrated Plan for Children Infected and Affected by HIV/AIDS was born. The three main social service departments, namely Education, Social Development and Health would be the lead departments in this new strategy. Cabinet, Directors-General of the three departments and Treasury officials decided that the Life Skills Programme in schools should be the core of the initiative.⁶ The goals of the education programme were to ensure that all schools implement the Life Skills and HIV/AIDS Programme by 2002/03.⁷ Targets established meant rolling out the programme to 20% of primary and secondary schools in year 1 (2000/01), 40% in year 2 (2001/02), and 40% in year 3 (2002/03). In addition, 2 teachers per secondary school as well as 3-7 teachers per primary school had to be trained.

While the National Integrated Plan deals with some of the inequities in funding of Life Skills Programmes in PEDs, the distribution formula that determines how much of the Conditional Grant goes to each province is based on the education equitable share formula. The education equitable share formula consists of two components—namely the number of potential learners between the ages of 6 and 17, and actual learner enrolments. The former component is double-weighted to prevent inflating of enrolment numbers to boost funding. Thus, PEDs with the most potential learners and learners actually enrolled will get the bulk of the funding.

If the intention of the programme was to deal with infected and affected individuals, then an exclusive focus on HIV/AIDS prevalence rates would have been a more appropriate distribution tool. However, in reality, the programme's aim is to reach all learners and train teachers in the three-year period of the Integrated Plan. It is therefore more appropriate for a programme, which aims at universal coverage of learners and training of teachers, to adopt a funding formula based on the number of learners and schools in a province, irrespective of the broader HIV/AIDS picture in that province.

⁶ See Streak, J (2001) "Measures to mitigate the impact of HIV/AIDS on children in South Africa with the spotlight on government's response" Children's Budget Project, IDASA.

⁷ Another year has been added to the strategy, but no financial allocations have been made.

C. Link between Tirisano and Life Skills Programme

The *Tirisano* document was published towards the end of July 1999. HIV/AIDS is defined as a central priority around which other priorities are built.⁸

The *Tirisano* folder shares with the Integrated Strategy the following concerns:

- Raising awareness nationally and provincially by promoting information about HIV/AIDS;
- The integration of Life Skills training and HIV/AIDS education across the curriculum;
- The training of educators to facilitate Life Skills education and sexuality education in the education and training system.⁹

Tirisano's specific contribution focuses on developing reliable databases of the research done on the impact of HIV/AIDS on the education and training system. Research was commissioned and should have been published by the end of December 2000, but the National Department of Education has embargoed these reports.¹⁰ It is important to understand that funding for the provincial education HIV/AIDS programmes takes place through the National Integrated Plan, and many respondents felt that *Tirisano* currently free wheels on this funding. Funding for the Integrated Plan ceases in 2003/04, and it is therefore extremely important that the education sector anticipates this and puts into place funding plans to deal with this reality. The expectation is that, after 2003/04, much of the funding of HIV/AIDS in education will be allocated to high-risk areas. This situation increases the importance of research, which can identify these high-need areas and allocate scarce resources accordingly.¹¹

The Department of Health has largely driven the inception of the Life Skills and HIV/AIDS Programme in education. With the introduction of the NIP, the Department of Education has been given a clear mandate to implement the Life Skills component of the National Integrated Plan. The next section therefore examines the role of the Department of Education in the management and funding of government's response to HIV/AIDS at provincial education level.

⁸ "This is the priority that underlies all priorities, for unless we succeed, we face a future full of suffering and loss, with untold consequences for our communities and the education institutions that serve them. The Ministry of Education will work alongside the Ministry of Health to ensure that the national education system plays its part to stem the epidemic, and to ensure that the rights of all persons infected with the HIV virus are fully protected." From the *Tirisano* document, 27 July 1999.

⁹ Media Briefing on the progress regarding the implementation of *Tirisano* by the Minister of Education, 12 September 2000: Portfolio Committee on Education.

¹⁰ These reports refer to the research done by Khulisa and Abt Consulting Firm. All the Provincial co-ordinators have access to the Khulisa Report, but access to the Abt Consultants Report has been barred.

¹¹ For this to happen, research about the impact of HIV/AIDS needs to be made available so that financial planning and management could begin in earnest to deal with high risk areas (geographically and subjects in schools). This also implies that future funding of HIV/AIDS will go far beyond just a focus on Life Skills in the curriculum.

D. Role of the national Department of Education

The explicit mandate of the national Department of Education is contained in the National Education Policy Act of 1996 (NEPA).¹² As a policy-making body, the Department of Education is not only tasked with monitoring and evaluation of implementation of nationally determined policy, but part of the same mandate is to render technical assistance to PEDs.

Support role of the Department of Education

In the past, co-ordination took place through the National Project Committee (NPC) whose mandate expired last year. The NPC met every six weeks on issues pertaining to the implementation of the programme. Currently there is no institutional structure run by the Department, which has the same function. The Department of Education currently monitors the implementation of the Life Skills and HIV/AIDS Programme in PEDs in essentially two ways:

- The Minister's advisor on HIV/AIDS is planning visits to provinces and meeting provincial co-ordinators in the field.
- Provincial co-ordinators, in keeping with the conditions of the grant, are required to submit monthly expenditure reports as well as narrative reports about the implementation of the Life Skills Programmes.

Provincial respondents have complained that the Department of Education technically undertakes no real monitoring and evaluation. There is a strong feeling that up to now, provinces have been left to their own devices. Respondents pointed out that the Department of Education had called two meetings, but both were cancelled and no further notice took place thereafter.¹³ Tied in with lack of co-ordination is the observation by respondents that there has been no real guidance from the Department of Education in terms of the quality of Business Plans. Similarly with the narrative reports that are sent to the Department of Education, respondents indicated that no sustained feedback, analysis and guidance has been offered.

In response the Department of Education acknowledges that the main difficulties of PEDs relate to logistics and procurement issues. The prime example of this is co-ordinators' desperate need for cars to enable them to fulfil key support functions. However, although this is the case, the Department's neglect of its own support and co-ordinating function is great cause for concern.

¹² Sections 3 and 4 of NEPA 1996 make provision for the Minister to monitor and evaluate the well-being of nationally determined programmes and mandates.

¹³ Another meeting has been called for the middle of September and the Minister's advisor has also begun to do the provincial visits.

Funding role of the Department of Education

As mentioned previously, the European Union, through the Department of Health, funded the then secondary schools Life Skills Programme. With the inception of the Integrated Plan, part of the set-up costs¹⁴ of the Life Skills programme had been covered. This did not mean that EU involvement came to an end. In fact, the primary and secondary school co-ordinators based in the Department of Health are employed as consultants on the Life Skills Programme. Funding made available by the EU pays their salaries. In addition, the EU still supports the primary schools financially by allocating an additional grant for this purpose. Although it is smaller than the current Conditional Grant from the Department of Education, it had helped in many cases since last year to sustain the momentum of the Life Skills programme provincially. This was especially the case with the late release of the Conditional Grant in 2000 and 2001 when PEDs drew on this grant as well as on their Policy Reserve Funds.¹⁵

The Department of Education's primary funding role in the Integrated Plan is to financially support Life Skills and HIV/AIDS Education programmes in PEDs. The Department accesses funding for the Integrated Plan from the national Department of Health. The bulk of the funds are paid over to PEDs as a Conditional Grant. The rest of the Life Skills funds are split between the Department of Education and the Department of Health, to support the implementation of the provincial Life Skills and HIV/AIDS education programmes.

The following allocations have been made to PEDs, the Department of Education and the HIV/AIDS and STD Directorate in the Department of Health:¹⁶

- The Life Skills allocation for **2000/01** was R39 million. R26.5 million was transferred to PEDs. The rest of the funds were split between DOE and DOH.
- The allocation for **2001/02** is R71 million. R63.5 million will be transferred to PEDs, R5.2 million goes to the Department of Education, and R2.3 million stays with the HIV/AIDS and STD Directorate of the Department of Health.
- The projected allocation for **2002/03** is R125 million. R116 million will be allocated to PEDs, R6 million will go to the Department of Education and R3 million will stay with the HIV/AIDS and STD Directorate of the Department of Health.

A number of problems accompanied the introduction of the Integrated Strategy and in particular the paying out of the HIV/AIDS Conditional Grant in 2000. The Department of

¹⁴ Set-up costs refer to the initial investment that must be made to get the programme started, such as the training of master trainers and the publishing of appropriate materials.

¹⁵ The Policy Reserve Fund is money that is set aside to deal with unforeseen circumstances in PEDs. The standing practice seems to be that nearing the end of the financial year, and in the absence of disasters, PEDs can decide what use to put the funds to.

¹⁶ Because of the strong role played by the Department of Health at the start of the Life Skills Programme, current arrangements have it that there are still two consultants in the Department of Health who support the Life Skills Programme in primary and secondary schools. This function is increasingly taken over by the Department of Education.

Education indicates that the late release of funding for the Conditional Grant in 2000 was caused by two factors:

- The Minister of Finance only announced in February 2000 the amount that had been set aside for the Conditional Grant. These amounts were indicative, and there was a waiting period pending official authorisation of the paying out of the grant. So although the grant was expected to be available at the start of the financial year 2000/01, payments were made as late as October 2000.¹⁷
- The processing of the Conditional Grant, argues the Department of Education, was tied up with the time it took education departments to submit their Business Plans. Most education departments only submitted these plans by May/June 2000. This was not applicable to all education departments and some have submitted Business Plans in January. These departments, irrespective of when plans were submitted, were also affected by late payment of the Conditional Grant.

For the 2001/02 financial year, the first of two payments was transferred at the end of July, much earlier than last year. It is, however, still debatable whether these payments are early enough to ensure full implementation of main objectives for the year. This effectively leaves PEDs with less than nine months in which to ensure that an additional 40% of public schools implement the Life Skills Programme.

Another year has been added to the Integrated Strategy, but we were unable to establish the level of funding for 2003/04. The Department of Education has indicated that funding for the Life Skills Programme would continue after 2003/04. This funding is planned as part of the budget cycle for the financial year 2004/05.

Funding will still be in the form of a Conditional Grant, although conditions pertaining to the grant are set to become stricter. Although PEDs are already required to set out plans of how they would fund this programme and other related AIDS activities independently in future, the newly proposed grant would take such requirements more seriously. The whole idea of such incentives is for PEDs to progressively assume funding responsibilities for Life Skills and HIV /AIDS related programmes. However relying upon the provinces for funding sustainability will put further pressure on limited provincial budgets and require justifying spending based on planning. The final goal, it appears, is targeted spending based on high-risk areas. This presupposes that the objectives of the current National Integrated Strategy have been met and that very specific interventions are planned subsequently.

From a funding point of view, it is encouraging to see the Department of Education emphasising the need for PEDs to secure independent funding for the HIV/AIDS Programmes. As will be seen in the next section, PEDs have responded in various ways to such requests, and one can safely state that by the end of 2003/04, we will not have a uniform funding response from education departments. The current rigidity of PEDs' budgets increases respondents' suspicion about the inability of PEDs to fund Life Skills and HIV/AIDS Programmes from their own line budgets. While we would strongly

¹⁷ Edcent Williams, who heads the Department of Education's Life Skills and HIV/AIDS Programme, argues that it took the grant a long time before it was officially "on stream." He indicates that the initial late payment was part of a learning curve and pointed out that the process has been far better managed in 2001.

support the notion that PEDs need to assume funding responsibility for this programme, a more realistic expectation now would be to satisfy the demand from provincial co-ordinators for additional staff. Assuming responsibility for a programme is a gradual process, but if the objectives of this programme are to be realised, then the current provincial co-ordinators need to be supported administratively and professionally. Many respondents also ruled out international donor funding because the Department of Education controls such funding and because the focus of such funding is on human resource development¹⁸ and infrastructure backlogs.

The next section specifically explores the level of prioritisation of this programme at provincial level, the degree of financial commitment by education departments to HIV/AIDS Programmes, and some of the funding problems experienced.

III. Response of provincial education departments to the funding challenges of HIV/AIDS

A. Introduction

In order to understand the response of PEDs to the challenge of funding HIV/AIDS Programmes in education, it is vital that we build an understanding of the context within which these programmes operate. The charge has often been made that PEDs have not begun to seriously engage the pandemic. Lack of flexibility in education budgets and senior management's poor understanding of the crisis have been blamed for the poor response of education departments.

We start this section by focusing on the level of support for this programme from senior management in PEDs. The second section traces the funds that have been spent on Life Skills and HIV/AIDS Programmes in each education department. The third section explores the current funding mechanisms and the various financial procedures that need to be followed in accessing funding. The fourth section explores some of the funding problems, while the final section summarises the most important findings of the section.

B. Level of support from senior management within PEDs

Without fail, all five provincial co-ordinators (hereafter referred to as respondents) indicated support from senior management in their departments.

- In Mpumalanga, the respondent liaises directly with the MEC if the latter wants clarity on certain aspects of the programme, and the Director-General (DG) is accessible and open to discuss problems relating to the programme.

¹⁸ Ironically, given lack of staff capacity, PEDs could put forward a case for international donor funding based on their staff requirements for the Life Skills Programme.

- Northern Cape indicated that both the DG and the MEC have offered their assistance in the respondent's organisation of workshops and conferences.
- In the Western Cape, the respondent feels that the MEC and the DG are supporting the programme, because the DG has taken formal control and accountability for the programme.
- North West has gone a step further in that the Superintendent-General (SG) has a monitor in his office and receives all Life Skills related reports and responds personally to these reports. On a few occasions, the SG has intervened by writing letters to the tender board requesting that the process be speeded up.
- The Northern Province Department of Education claims similar support from senior management. The respondent indicated that the MEC mentions the theme of HIV/AIDS in all her major speeches, while the SG regularly asks and receives reports about the implementation of the programme.

Analysts and practitioners point out that any policy programme will only gain momentum and support once senior management and politicians accept responsibility for outcomes of such policy. It is therefore highly significant that senior management and political leadership in these departments have attempted to make Life Skills and HIV/AIDS programmes part of the core business of departments.

The presence of support at DG level also means that the Life Skills and HIV/AIDS issues can be taken to the Head of Education Department's Committee (HEDCOM). HEDCOM is a national forum of the nine provincial education DGs and has a finance steering committee, which deals with financial issues in the funding of school education generally.¹⁹ Therefore such high-level contact and support of the Life Skills programme provides the opportunity for effective bargaining by DGs with Treasury on behalf of their respective education departments. Such a forum is also ideal to begin discussions about the nature of current and future funding, which will be needed after the end of the Integrated Strategy. In addition, problems that relate to centralised procurement and tenders could also be discussed in this forum. Such discussions can then in turn feed into the education MINMEC meetings as well as the joint MINMEC meetings.

C. Sources of funding for Provincial Education Departments' Life Skills and HIV/AIDS Education Programmes

With the inception of the Secondary Schools Life Skills and HIV/AIDS Programme, PEDs received European Union (EU) funding between 1997 and 1999, which was disbursed through the Department of Health. PEDs had to submit Business Plans to the department to access the funding.

¹⁹ The HEDCOM Finance Steering Committee consists of the nine provincial DGs and officials from National Treasury.

Table 1 details the aggregate amounts received from the EU and transferred via the Department of Health for the period 1997/98 to 1999/00, and allocations from PEDs' own line budgets. Tracing funds allocated from PEDs' own line budgets, we have decided to use 1998/99 as a starting point for comparisons. We assumed that the inception of the secondary schools project in 1997 should have drawn PEDs' attention to the importance of funding the fight against AIDS.

Table 1: EU sponsored funds (1997-99) compared to provincial education department's own allocations to Life Skills and HIV/AIDS programmes (1998-2001)

Provincial Education Department	Department of Health-sponsored funding to PEDs 1997-1999 ²⁰	Allocations to Life Skills from PEDs' own budgets			
		1998/99	1999/00	2000/01	2001/02
Mpumalanga	R 1.1 million	None	None	None	None
Northern Cape	R 1.4 million	R 778 000	R 900 000	R 900 000	R1.1 million ²¹
Northern Province	R 312 000 ²²	None	Information not available	R 2 million ²³	R 2 million
North West	R 369 786 ²⁴	None	None	None	None ²⁵
Western Cape	R 1 million ²⁶	None	None	R 160 000 ²⁷	None

Source: Personal Communication with PEDS in 2001.

²⁰ Provincial education departments are still receiving a grant from the EU specifically for primary schools. A decision was made to exclude this information, because the line of argument tries to establish the relationship between the initial EU grant funding, PEDs' own funding and the Conditional Grant from the Department of Education.

²¹ The Northern Cape Department of Education projects to spend R2.2 million on these programmes in 2002/03 and the same amount in 2003/04.

²² The Northern Province Department of Education (NPED) spent R203 000 in ten of the province's primary schools. On the other hand, the NPED spent R109 000 on the training of secondary schools between 1997 and 1999.

²³ The amounts for 2000 and 2001 reflect both the Life Skills component and other departmental AIDS activities. For 2000/01, Life Skills received R539 000 and in 2001/02, it received R900 000. The rest of the funds were allocated to two other programmes, namely Human resource development and Governance.

²⁴ In 1998/99 the North West Department of Education spent R319 055 on teacher training and AIDS Day in various schools. In 1999/00, R50 731 was spent on Schools AIDS Day.

²⁵ The North West Department has received provincial funding for HIV/AIDS Programmes, and it is by far the most of all the departments surveyed: 1999/00 (R2.2 million), 2000/01 (R4.8 million), 2001/02 (R8.8 million). Such funding also reflects the functioning of Inter-Departmental co-operation at provincial level.

²⁶ The Western Cape Department was able to access an additional R30 000 from National Health and R40 000 from national Education. Resource materials to the value of R1.2 million were distributed via national Health: Fenton, P (1998) *Report to the Department of Health*.

²⁷ This was money that was made available by the Western Cape Education Department for the training of master trainers in March and April 2000.

Differences in the amounts reflected in the table have much to do with PEDS' ability then to develop suitable Business Plans. Thus, the relatively small amounts for PEDs such as the Northern Province (NPED) directly reflect provincial education level capacity in developing Business Plans. This lack of capacity was carried into the NIP because by late 2000, the NPED's business plan to access the Conditional Grant had not been approved by the Department of Education. Assistance was sought from the national Department of Health, and only then were these plans approved.

It is important to note that education departments such as Gauteng were at this stage already allocating money to this programme in addition to the funding from the Department of Health.²⁸ The picture is not necessarily brighter when we compare the allocations that have been made from the provincial education departments' own budget. Table 1 also indicates that PEDs made the decision to allocate their own funds to Life Skills—in addition to any EU money they acquired—based on different reasons.

Utilising department resources due to incapacity to access EU funds.

For example, Western Cape and Mpumalanga accessed similar amounts from the Department of Health/EU grant but have not spent from their own line education budgets since 1997. Northern Province received only R 312 000 from the EU because of its limited capacity for dealing with the EU grant application process. Northern Province simply did not have business skills in accessing EU funds and therefore made allocations from their own education budget to compensate for such foregone funding opportunities. It is therefore possible to say that for Western Cape, Mpumalanga and Northern Province, there seems to be a relationship between their capacity to access donor funding and the amounts they allocated independently from their line education budgets.

Receiving funding from interdepartmental strategies, instead of relying upon education department.

The above explanation does not appear to hold true for the North West. One can argue that the department lacked sufficient capacity to access donor funding prior to 1999. After 1999, the North West did not direct money from the education budget to HIV/AIDS programmes but Life Skills and HIV/AIDS programmes were receiving a large amount of funds directly from the provincial budget, via inter-departmental co-ordination. (See footnote 29).

Prioritising Life Skills in department budgets and successfully accessing outside funds.

Northern Cape is a different case again. In terms of what Northern Cape was able to access from the Department of Health/EU grant, we would have to conclude that it is a high capacity department. Yet, if we examine their own education budgetary allocations, they have set aside funds for HIV/AIDS activities irrespective of their stated capacity. More importantly, the bulk of the funds have gone into supporting HIV/AIDS-related activities instead of spending on salaried staff. A similar pattern exists for Gauteng, which was able to access comparable amounts as Western

²⁸ In 1999/00 alone, the Life Skills and HIV/AIDS Programme in the Gauteng Department of Education was allocated R3.5 million in terms of the province's inter-departmental AIDS initiative.

Cape, but still went on to allocate independent funding from their own education budget.²⁹

It is not entirely clear whether the Gauteng and Northern Cape education departments would have taken these funding initiatives in the absence of strong inter-departmental strategies and dedicated political support from their Provincial Executive Committees (PECs). It is highly probable that such inter-departmental and political support had a knock-on effect and explains why these high capacity education departments had in fact independently allocated funding to Life Skills and HIV/AIDS programmes.

We therefore have to consider the possibility that broader *provincial government funding strategies and political support* may have a huge bearing on the funding response of provincial education departments generally. Such political buy-in serves to strengthen the commitment of individual departments because their own actions are measured as part of an overall provincial funding strategy in combating the spread of HIV/AIDS.³⁰

Another interesting feature of the allocations in Table 1 is the fact that Northern Province and Northern Cape allocated constant amounts over a four-year period. One possible explanation is the fact that there is a paucity of funds generally in education budgets, and specifically for HIV/AIDS. This spending on HIV/AIDS could be interpreted as spending that is done after the main priorities are funded. The fact remains that these education departments have still made the effort to set aside money and there is no evidence that they are under less fiscal pressure than the other departments which did not set money aside for HIV/AIDS.

A more plausible explanation could be that planning for HIV/AIDS programmes, apart from the Conditional Grant, is not yet informed by a clear understanding of the main cost drivers. Lack of research on the impact of HIV/AIDS on the education and training system further obscures the task of education planners in establishing the most important cost drivers in such programmes.³¹ Such research serves the function of identifying the areas where spending needs to be directed and facilitates rational planning and trade-offs in budget planning.

²⁹ The Gauteng Department of Education allocated R2 million to Life Skills and HIV/AIDS Programme from its own budget in 2000/01, received R1.5 million from the province's inter-departmental team and accessed R2.296 million from the Conditional Grant from DoE in the same year.

³⁰ The KwaZulu Natal Provincial Government established a "Provincial AIDS Action Unit" in 2000, representing all departments involved in fighting HIV/AIDS. The KZN Department of Education has also allocated funding in excess of the Conditional Grant, lending further support to the idea that political buy-in strengthens the commitment of individual departments in prioritising HIV/AIDS activities.

³¹ This is a view, which is shared by the Minister of Education in his Reports to the President. He indicates that lack of accurate statistics and projections of the impact of HIV/AIDS makes it difficult to plan ahead for the country's educational needs. Brand, R (2000) "HIV interferes with education planning" *Cape Times*, 24 October.

Table 2: Conditional Grant from the Department of Education, 2000/01 and 2001/02

Provincial Education Department	2000/01		2001/02	
	Allocations to Life Skills from PEDs' own budgets	Conditional Grant from DoE	Allocations to Life Skills from PEDs' own budgets	Conditional Grant from DoE
Mpumalanga	None	R 2.4 million	None	R 4.6 million
Northern Cape	R 900 000	R 1.3 million	R 1.1 million	R 1.3 million
Northern Province	R 2 million	R 4.57 million	R 2 million	R 9.96 million
North West	None	R 2.33 million	None	R 5.08 million
Western Cape	R 160 000	R 2.1 million	None	R 5 million

Source: Personal communication with Provincial Education Departments, 2001.

Table 2 compares the Conditional Grants received in 2000/01 and 2001/02 to the amount dedicated to Life Skills from the PEDs' own budget for the same years.

By comparing the Conditional Grant to how much PEDs allocated from their own budgets, we have formed some idea of the funding gap that needs to be covered in the event of the termination of the Conditional Grant.

- The amounts the **Northern Cape** and the **North West** are spending on Life skills from their own budgets is close to the amount they are receiving in conditional grants from national. The non-conditional grant funds spent in the North West come from other areas of the provincial budget than the department's own budget, making the North's West Life Skills programme more vulnerable than Northern Cape should there be a change in provincial AIDS funding strategies.
- **Northern Province's** Conditional Grant from national is bigger than what the provincial education department currently contributes to Life Skills from its own departmental budget. In defence of the Northern Province Department of Education, it must be said that post-2003/04 Conditional Grant funding would probably be directed towards different objectives, thus making it difficult to judge whether this level of funding will be adequate in the future.
- Because **Western Cape**³² and **Mpumalanga** do not currently contribute any funding for Life Skills from their line budgets or provincial government, the future funding situation in these provinces is the most precarious in the event that the conditional grant from national is ended.

³² Clearly Western Cape has used the psychologists who do the educator training in the most efficient way. However, as the epidemic moves into the counselling and caring phase, their services will be less available for training. This is where additional funding commitment from Western Cape becomes absolutely vital and this is why we are raising questions about funding for additional staff and HIV/AIDS related activities.

D. Current funding mechanisms for Life Skills HIV/AIDS Programme

As mentioned earlier, as part of the Integrated Plan, funding for the Life Skills and HIV/AIDS Programme is transferred from the Department of Health to the Department of Education and then made available as a Conditional Grant to PEDs.

How are Business Plans approved?

Provincial Education Departments must submit business plans in the year in which the funding will be available.

It is important to understand that this budgeting process cannot be equated with bidding and competing for resources because the distribution formula is objective. The function of the business plan is to explain to the Department of Education how funding for Life Skills will be utilised and whether such spending fulfils the conditions of the grant (and policy). Business Plans include information on activities, events and costs of the plan. In January the provincial co-ordinator submits the business plan to the provincial departments of Health and Education. After approval by the PED, the business plan is sent to the national Departments of Education and Health for approval.

Input on these is obtained from Districts (or Regions), other provincial departments of the Inter-Departmental Committee (Health and Social Development), and local NGOs that work in the field. In most cases, other departments would suggest activities, and, if there is consensus, these activities would be included as part of the business plan. Final decisions on the business plans submitted to the education and health departments are taken by the Finance Directorate within education departments in conjunction with senior management. The Department of Education will increasingly expect education departments to indicate how they plan to sustain funding for the Life Skills and HIV/AIDS Programme from their own line budget.

What are the financial procedures in accessing funds?

In all five PEDs surveyed, the department (Head Office hereafter) controls budgets centrally. This means:

- Districts or Regions have “paper budgets” and access their funding through claims, invoices and requisitions.
- Head Office requires Districts to provide them with three quotations after which the finance officer applies for orders to pay service providers. Such orders need to be approved by the provincial co-ordinator, the Finance Directorate in the education department and the DG/SG (or the Deputy DG).

- These orders are then given to Districts so that they can give them to the service provider to sign. Districts then send an invoice to Head Office and only then is the service provider paid.

Like all other government departments, provincial education departments are subject to provincial tender procedures. Only tenders that are below a certain amount specified by the Tender Board can be settled within PEDs without being submitted to the Tender Board. Provincial governments have established different expenditure ceilings before tenders should be referred to the Provincial Tender Board.

Table 3: Tender thresholds in selected provinces

Mpumalanga	R25 000 ³³
Northern Cape	R20 000
Northern Province	R20 000
North West	R7 500
Western Cape	R20 000

Source: Personal communication with PEDs 2001

If the amount exceeds specified internal departmental thresholds, Head Office needs to request five quotations, which are sent directly to the Provincial Tender Board. The Tender Board then sends it to the education department (provincial co-ordinator). The provincial co-ordinator is then asked to motivate which of the applicants is desired to provide the service, after which the Provincial Tender Board will sift through the various applications before approving an application.

In some provinces, the Provincial Tender Boards have a list of approved service providers. If the service provider that the provincial co-ordinator motivates for is on the tender board's list, then the tender process is likely to be expedited. What happens in many instances, however, is that education departments often require the services of service providers that are not based in their province, and this creates enormous bottlenecks in procuring the desired services.

It is clear from the above that existing provincial procurement procedures enable departments to be as cost-efficient as possible. Most respondents indicated that there is some level of conflict between choosing the best service provider, and containing the costs of servicing the Life Skills Programme. The attention to cost-efficiency is directly related to Provincial Treasuries' mandate in containing over-expenditure.

In the North West, where provincial funding for HIV/AIDS is made in addition to the Conditional Grant, the education department experienced difficulties in accessing their provincial allocation. North West complained that in spite of the voted budget, access to provincial funding for HIV/AIDS programmes takes a long time before it is released by the Provincial Treasury. This limitation seems to apply to the provincial component of the funding and not to the Conditional Grant, because the latter is transferred directly to the North West Department of Education. On the other hand, the Northern Cape says that

³³ The Mpumalanga Department of Education does not have an internal tender board, but instead has what it calls an "economising committee" that scrutinises the three quotations submitted by Districts and then make decisions about the most cost-efficient application.

the longest it takes for their Provincial Treasury to process funding requests is only three to four days.

How is funding divided between Districts/Regions?³⁴

Head Office retains a portion of the money to co-ordinate the programme in a department and to run provincial workshops and conferences. Most of the activities are however taking place at a sub-Head Office level and this raises the question of how funds are divided between Regions and/or Districts.

Mpumalanga

The Mpumalanga Department of Education intends to restructure their 10 Districts and reduce it to 3 Regions by the start of the financial year 2002/03. At present, the department manages funding for the Life Skills Programme centrally and in terms of future planning, a decision was made to continue centralised management for the next three years. Restructuring of Districts means that new financial accountability chains will take time to establish and there are great uncertainties about exactly how the boundaries of the new Regions will be drawn. Available funding is evenly divided between the Districts and no redress criteria shape the allocation of funds to Districts. Allocations to Districts are based on the number of schools, even though the per capita allocations for various cost items are the same for all Districts.

Northern Cape

The Northern Cape Department of Education has four Regions. The department manages funds centrally and it was only in 2001/02, that Regions were allocated a paper budget. In 2000, all the necessary appointments had not yet been made in the Regions. The department says that there are no set criteria in place to divide the budget amongst the Regions. In 2001/02, the four Regions were allocated different amounts, and it appears as if this decision was based on the relative size and number of schools in a Region.³⁵

Northern Province

In the Northern Province, Regions have a paper budget. The Northern Province has 7 Regions and 31 Districts. Districts are situated within Regions. The criteria for dividing funds between the Regions are the size of the Region, the number of public schools in a Region, and learner enrolment in a Region.

North West

The North West has 12 Districts and is planning to reduce it to 5 Regions, although it is not certain when the restructuring will commence and be completed. Allocations to Districts are evenly divided and as yet, the North West did not see the need to include criteria in distinguishing between the existing Districts.

³⁴ Districts and Regions sometimes refer to the same sub-Head Office body, although there are cases where Districts are another level below Regions as is the case with Northern Province.

³⁵ For the 2001/02 financial year, Springbok and De Aar were allocated each 12.5% of the budget, Upington received 20% of the budget, while the Kimberley Region received 25% of the funds. Head Office uses the remaining funds to co-ordinate all Life Skills activities in the province.

Western Cape

The Western Cape has officially restructured its 3 Regions into 7 Educational Management Development Centres (EMDC). These new structures were established at the beginning of August 2001, and will require time before they become fully operational. Under the old dispensation, 19 school clinics³⁶ were operated in the three Regions, and although the number of clinics will also be reduced, funding for 2001/02 has been allocated to these 19 school clinics. The budget for Life Skills is centrally managed and costs are paid out according to the various pre-approved activities of these clinics. Allocations to these 19 school clinics are evenly divided, and costs are determined principally by the number of teachers to be trained and the number of learners to receive learning material. There is however a redress component in these allocations. For example, clinics in rural areas are compensated for teachers' travel costs. In addition, Western Cape has prioritised funding to clinics that serve high-risk areas and socio-economically disadvantaged areas.

E. Problems with current funding mechanisms

Centralised budgeting and funding of the Life Skills Programme has, as we indicated, a number of advantages, especially in terms of meeting centrally determined policy goals of the Department of Education. Centralised funding³⁷ also produced a number of difficulties that hampered the effective implementation of the Life Skills Programme. In the following paragraphs, we explore some of the issues and how it affected implementation.

1. Procurement of services and the provincial tendering process

Both Head Office and Districts have found provincial tendering processes tedious. Although provincial governments have different standards in terms of when quotations need to be sent to the tender boards, respondents in all five PEDs have complained about the impact of delays on the delivery of programmes.

There are mainly two problems associated with the provincial tendering process.

- 1 Tenders take months to settle, thereby impeding work, which must be done in the programmes.
- 2 The second problem has to do with the choice of service providers to render a service for education departments. In many instances, certain individuals and NGOs have built up expertise in a field, but because of the equitable nature of the tender process, there is no guarantee that such applicants would be successful. Although the process promotes fairness and equity, organisations and people who work in the field argue that access to quality service makes an enormous difference to the success of the programmes.

³⁶ Within these school clinics, a multi-disciplinary team of psychologists, learning support teachers, language and learning support teachers and social workers are employed.

³⁷ We are not necessarily arguing that decentralisation will resolve these problems, but the idea is to point out problems that accompany centralised funding.

In relation to the first problem, the North West had a situation in the past where a tender had been with the Provincial Tender Board for an extended period even though the department of education needed to start the training of master trainers. The SG then wrote a letter to the Tender Board asking them to expedite the matter. The decision was taken by the education department to continue, although approval was only sent subsequently.

In relation to the second problem, Western Cape, North West and Northern Province found themselves in situations where they knew the service provider they wanted to do the work, but the provincial tendering process made it impossible to procure the services of these organisations and individuals. Western Cape indicated that some balance needs to be found between the equity and transparency requirements of provincial tendering processes and the need to get the best quality service provider to do the work.

2. Districts and centralised funding

Of the five PEDs surveyed, only the Western Cape Department of Education intends to decentralise the Life Skills budget in the years to come. However, restructuring of their Regions will take time and thus for all intents and purposes, Life Skills and HIV/AIDS funding will still be centrally managed. Although restructuring of Districts/Regions is prevalent in other education departments, respondents have indicated that in the foreseeable future, Head Office will control the Life Skills budget.

One of the problems with the centralised funding model is the time and bureaucratic procedure that Districts/Regions have to go through to access funding. Respondents indicated that they are inundated with Districts that argue that service providers are unwilling to participate in the programme because it takes so long to get paid. In the current system, orders, invoices, and cheques have to travel between Head Office and Districts, and this prolongs the time that Districts have to wait to access the services of potential service providers. This problem is worse in cases where large distances separate the Head Office and Districts, such as the Northern Cape and rural parts of the Western Cape.

One could begin to contextualise problems with the centralised funding model by simply looking at the number of people who need to approve funding for a project that Head Office intends to undertake. Approval for any such activity must be given by the provincial co-ordinator, the Director of the unit in which the Life Skills Programme is based, the Chief Director, and eventually the DG/SG or Deputy DG. This process is even longer when the request for funding emanates from Districts. The obvious consequence of such a time-consuming process is that under-spending of funds becomes a common occurrence.

Admittedly, budget decentralisation would not solve the problems of Districts or Regions related to the current procurement and provincial tendering processes. However, the budget centralisation model should not only be considered by how it impacts on the procurement and tender process. Broader criteria for judging a centralised budget model ask whether the model (centralised or decentralised budgets) permits and enhances implementation of the programme. At this stage, both centralised and decentralised budgeting systems would still be subject to Treasury regulations, and clearly budget

decentralisation will not resolve the slowness of the current procurement and tendering process.³⁸ However our argument is that its inability to relieve the difficulties of the procurement and tender process is not sufficient reason to drop the notion of decentralised budgeting altogether.

There are other strong reasons for budget decentralisation. For one, Districts would be in a better position to make informed trade-offs. One accepts that education departments have inherited weak Districts that are not yet capable of strict financial management of scarce resources. This must, however, be addressed by plans that aim at strengthening Districts so that they assume bigger responsibility for the running of this and other programmes.³⁹ Reluctance to consider Districts is evidenced by the fact that Life Skills Directorates at District level are not necessarily going to be created as part of the outcomes of restructuring. Where such plans are intended in Mpumalanga and the Western Cape, the necessary appointments have not been made of staff who would be financially accountable for spending on this programme.

In summary, the **benefits** of the centralised budgeting model include:

- Cost-efficiency, because Head Office normally chooses service providers that are affordable in terms of the available budget.
- Centralised funding made possible the introduction of clear norms on various spending categories. A good example here is the costs for food catering. If an amount has been fixed in per person cost terms, Districts cannot then submit claims that exceed the specified per person amounts.
- The promotion of equity and redress in the selection of service providers. One of the standing requirements of internal departmental tender requirements as well as provincial tender processes is that the economic benefits must be spread as widely and fairly as possible. This should prevent a situation where tenders are given to the same service provider, irrespective of the quality service delivered.

The **costs** involved with a centralised budgeting system are:

- The delay in processing claims within departments means that service providers are paid late and in many instances have refused to undertake similar work for government.
- The mere fact that it takes so long to access funding increases the likelihood of under-spending, and this is why education departments have repeatedly applied for the roll-over of unspent funds.

³⁸ This point was made strongly by Edcent Williams who argues that we still need strong provincial education departments to carry national statutory mandates. He also argues that decentralisation would only be successful if Provincial Tender Boards are decentralised as well.

³⁹ It is easy to argue that Districts/Regions employ people who constitute salary costs for an education department. Not fully utilising staff in Districts means that learners, the parent community and departments lose out on potentially productive labour that could make a difference to the quality of school education.

- In a nutshell, funds reach the intended programme or activities too late, thus affecting the actual implementation of the programme. This problem has been exacerbated by the late release of the Conditional Grant in 2000 and 2001.

IV. Summary of main points

We have argued that the funding mechanism, namely the Conditional Grant and the subsequent division between Head Office and Districts, does not constitute the fundamental problem in issues about the effectiveness and efficiency of spending on the Life Skills Programme.

This is not to deny that the late release of the Conditional Grant caused havoc in the planning and implementation of the programme. These were practical issues around bringing the grant into the public finance system. In later years, this should be dealt with as a matter of urgency.

The main problem seems to be the centralised procurement and tender process in education departments and the Provincial Tender Board.

- The advantage of a centralised procurement and tender process is that it enables departments to control over-expenditure by selecting the most cost-efficient provider. In addition, it promotes principles of equity and redress and potentially brought a host of new role players into the field.
- On the other hand, the centralised procurement model causes enormous delays in the procurement of services and vital opportunities are foregone in terms of securing the services of quality providers. Secondly, these delays influence the implementation of programmes, thereby affecting the effectiveness with which programme objectives are achieved.
- Such delays also have the effect of increasing the likelihood of under-spending, and have in fact contributed to under-spending and the repeated application of education departments for the rolling over of funds.
- Most PEDs surveyed have centrally managed funding for the Life Skills Programme. We supported it on condition that once the goals of the NIP have been met, serious consideration should be given to the decentralisation of management and funding of this programme.

Merely giving these regimes the power to manage these budgets could lead to more informed trade-offs about the main requirements of the Life Skills Programme.

On balance, the price which is currently paid for the efficient use of resources is outweighed by the lack of effective spending as a result of factors mentioned above. The fact that there are no immediate plans to streamline current departmental and provincial tender processes means that education departments will still be vulnerable in under-spending funds where they can least afford it.

V. Conclusion

The introduction of the NIP has begun to make education departments realise that Life Skills and HIV/AIDS Education Programmes are a fundamental part of their core business.

This realisation has not produced a uniform response to the HIV/AIDS pandemic and there are growing signs that by the end of 2002/03, education departments will fund this programme in a variety of ways. In the immediate future, it appears that the Department of Education will continue to take chief responsibility for the funding of Life Skills and HIV/AIDS Education Programmes. The Department of Education will however connect funding more firmly to the requirement that education departments need to find independent funding for HIV/AIDS activities. Future funding arrangements will be designed to exhort provincial education departments to develop and sustain such funding from their own budgets.

We have argued that the main obstacle in the implementation of Life Skills and HIV/AIDS Programmes in education departments is mainly the result of tedious provincial procurement and tender processes. This has been exacerbated by the late release of the Conditional Grant in 2000 and 2001. These centralised processes have enabled education departments to be cost-efficient, but this has been outweighed by delays in the implementation of programmes. This has resulted in education departments being behind schedule in implementing this programme, and there are fears that such delays might compromise the quality of interventions. The most austere challenge in future is thus to ensure that funds reach the intended beneficiaries, activities and programme in time to facilitate the successful implementation of these programmes.

However the main funding mechanism, namely the Conditional Grant, apart from the late release of funds, has not been found to lie at the heart of current implementation problems. The distribution tool allocates funds equitably and the same process is followed when funding is divided between Head Office and Districts.

We have also argued that education departments need to seriously consider devolving responsibility of Life Skills programmes to the Districts/Regions. Although such devolution will not resolve the paralysis of central procurement and tender processes, Districts are at least in a better position to assess and make trade-offs in the delivery of Life Skills Programmes. This will be vital especially after the Integrated Strategy period, when funding will be increasingly based on relative need instead of the universal approach currently used.

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